

# **Exhibit 2**

[Table of Contents](#)

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**CHESAPEAKE ENERGY CORPORATION**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - 1) Title of each class of securities to which transaction applies:
  - 2) Aggregate number of securities to which transaction applies:
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - 4) Proposed maximum aggregate value of transaction:
  - 5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

[Table of Contents](#)



6100 North Western Avenue  
Oklahoma City, Oklahoma 73118

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held On June 10, 2011**

The 2011 annual meeting of shareholders of Chesapeake Energy Corporation, an Oklahoma corporation (the "Company"), will be held at Chesapeake Energy Corporation, 6100 North Western Avenue, Oklahoma City, Oklahoma, on Friday, June 10, 2011 at 10:00 a.m., Central Daylight Time, to consider and act upon the following matters:

1. To elect four directors, three for three-year terms and one for a two-year term;
2. To approve an amendment to our Long Term Incentive Plan;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;
4. An advisory vote on executive compensation;
5. An advisory vote on the frequency of holding an advisory vote on executive compensation;
6. To consider one shareholder proposal, if properly presented at the meeting; and

7. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Holders of record of the Company's common stock at the close of business on April 15, 2011 are entitled to notice of and to vote at the meeting. A complete list of shareholders of record entitled to vote at the meeting will be available for examination by any shareholder at the meeting and at the Company's executive offices during ordinary business hours for a period of at least ten days prior to the meeting.

To attend the meeting you will need a form of photo identification. If your shares are held in street name, you will also need to bring proof of your ownership of our common stock, such as your most recent brokerage statement. A map of our Oklahoma City campus and parking instructions are available on our website at [www.chk.com/proxy](http://www.chk.com/proxy).

**YOUR VOTE IS IMPORTANT. YOU MAY VOTE IN ANY ONE OF THE FOLLOWING WAYS:**

**Use the toll-free telephone number 1-800-690-6903 from the U.S. or Canada;**

**Use the internet web site [www.proxyvote.com](http://www.proxyvote.com); or**

**Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope.  
SHAREHOLDERS OF RECORD WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON IF THEY DESIRE. IF YOU ARE UNABLE TO ATTEND, YOU MAY LISTEN TO A LIVE AUDIOPCAST OF THE MEETING ON OUR WEBSITE AT [www.chk.com](http://www.chk.com).**

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Jennifer M. Grigsby".

Jennifer M. Grigsby

Senior Vice President, Treasurer and

## Table of Contents

*Other Corporate Achievements.* We are proud to have a corporate culture in which our NEOs set an example for all of our employees to strive for excellence in every aspect of our business. We are honored to have received the following awards in recognition of these efforts in 2010 and the beginning of 2011:

- our CEO was recently named to the Forbes “CEO 20-20 Club”, an elite list of eight chief executives who have at least 20 years of service as chief executive and produced at least a 20% annual return to shareholders during their tenure, as calculated by Forbes;
- we were recognized for the fourth consecutive year on the Fortune 100 Best Companies to Work For ® 2011 list, moving up two spots to rank #32 in the 2011 list, and were also the highest ranked exploration and production company and the highest ranked of the four Oklahoma-based companies on the list;
- we were ranked #296 in the 2010 Fortune 500 list (Fortune magazine’s annual ranking of America’s largest corporations), and we were ranked #9 among all Fortune 500 companies for total return to shareholders over the last ten years;
- we were a finalist at the 12th Annual Platts Global Energy Awards for the CEO of the Year, Deal of the Year, Industry Leadership Award, Energy Producer of the Year, and Community Development Program of the Year awards, and we were one of only two companies selected as a finalist in five or more categories;
- we were ranked among America’s most successful companies in Institutional Investor Magazine’s 2011 All America Executive Team Rankings, and received nominations in the following categories: Best CEO, Best Investor Relations and Best Investor Relations Professional for both Jeffrey Mobley and John Kilgallon;
- we were recognized for Best Investor Relations in the Energy Sector and Best Investor Relations Website at the 2010 IR Magazine U.S. awards program and a finalist in the Grand Prix for Best Overall Investor Relations among large cap companies and Best Use of Conferencing;
- we were recognized for Best Investor Relations Program in North America and Best Investor Relations Officer in North America by Investors’ Choice at its 2010 Global Rankings awards ceremony;
- we were recognized with a Certificate of Active Participation: Commitment to People with Disabilities by Equal Opportunity Publications, Inc.;
- our multi-counterparty secured natural gas and liquid hedging facility was named Deal of the Year by Energy Risk, an Incisive Media publication;
- we were recognized as #17 in Computerworld’s 2010 annual “Best Places to Work in IT” and Cathlyn Tompkins was named to Computerworld’s 2011 Premier 100 IT Leaders List;
- we were recognized as one of the “2010 Most Valuable Employers (MVE) for Military” by CivilianJobs.com; and
- we were awarded the 2010 Sustainable Fleet Award by the NAFA Fleet Management Association in recognition of our environmental leadership in natural gas vehicle use.

### **CEO Compensation in 2010**

*Regular Compensation.* Even more than our other NEOs, the CEO’s total compensation is heavily weighted towards incentive compensation paid in the form of restricted stock. As the CEO and co-founder of the Company, Mr. McClendon has been instrumental in shaping the vision for the Company, including with respect to the following actions:

- the strategic change implemented since late 2009 to pursue greater investments in oil projects just before oil prices soared in late 2010 and early 2011;

## Table of Contents

- the negotiation and entry into joint venture arrangements and divestiture transactions that have created more than \$14.0 billion in value (including cash and drilling and completion carries) for our shareholders, including the sale of the Company's Fayetteville Shale assets to BHP Billiton for net proceeds of approximately \$4.6 billion compared to our net cost of only \$700 million;
- the creation of the Company's 25/25 Plan;
- his leadership in the natural gas industry as a spokesperson for the greater use of natural gas in the U.S. to reduce the nation's dependence on foreign oil; and
- the Company's ongoing success as the nation's most active driller of new wells, the second largest producer of natural gas in the U.S. and a Top 15 producer of liquids in the U.S.

Though the Company achieved great success under his leadership in 2010, the Compensation Committee reduced the amount of restricted stock awarded to Mr. McClendon in 2010 compared to 2009 by 110,000 shares, for a total of 650,000 shares, to account for the growth in the Company's stock price in 2010 compared to 2009. Mr. McClendon's salary has remained at \$975,000 since 2006 and will remain at that level through 2013 in accordance with his employment agreement. His employment agreement also provides that his annual bonus compensation for each of the years 2009 through 2013 may not exceed \$1,951,000, the amount of cash bonus awarded to Mr. McClendon by the Compensation Committee in 2008.

For safety, security and efficiency, the Company provides Mr. McClendon with the use of fractionally-owned company aircraft. The Company also provides Mr. McClendon with certain home security services due to the high profile nature of his position. Additionally, the Company provides Mr. McClendon with accounting and engineering support services to enable him to focus on the variety of critical and complex issues that currently face the U.S. natural gas and oil industry while remaining actively involved in the oversight of the day-to-day management of the Company. Mr. McClendon is thoroughly involved in the financial and operational discussions and decisions that occur each day throughout the Company. More than any other NEO, he leads the Company's public policy initiatives currently centered around promoting the use of natural gas to reduce the country's dependence on foreign oil. The Compensation Committee believes these additional responsibilities warrant the perquisites provided to Mr. McClendon as compared to those provided to other NEOs. The All Other Compensation Table for 2010 presented on page 46, shows the incremental costs to the Company of such perquisites, net of reimbursements made by Mr. McClendon.

*Founder Well Participation Program*. Because of Mr. McClendon's unique role as co-founder of the Company, he is the only NEO with the opportunity to participate and invest as a working interest owner in the Company's wells under the Founder Well Participation Program (the "FWPP"). We believe the FWPP fosters and promotes the successful development and execution of the Company's strategic business plan by: (i) retaining and motivating our CEO who co-founded the Company; (ii) aligning the financial rewards and risks of Mr. McClendon with those of the Company more effectively and directly than other performance incentive programs maintained by many of the Company's peers; and (iii) imposing on Mr. McClendon the same proportionate costs and risks incurred by the Company in its exploration and production operations. The Compensation Committee reviews Mr. McClendon's participation in the FWPP on a quarterly basis and periodically adjusts the acreage costs charged to Mr. McClendon to ensure his reimbursements reflect the Company's recent acreage activities. The FWPP is described in greater detail under "*Transactions with Related Persons—Founder Well Participation Program*" on page 60.

### **Other NEO Compensation in 2010**

The Compensation Committee takes a comprehensive approach in determining the mix and level of executive compensation by making an overall assessment of the performance of the NEO team and